<u>Remarks</u>

By the present amendments, Claims 1-3, 6-7, 11-15, 18-19, and 22-23 remain pending. Claims 1-3, 6-7, 11-15, 18-19, and 22-23 have been amended, and Claims 4-5, 8-10, 16-17, and 20-21 have been canceled. In light of the above listed amendments and the remarks below, the Applicants respectfully assert that no new matter has been added, and the application is now in condition for allowance. The Applicants respectfully solicit an indication of such an allowance.

<u>Claim Rejections Under 35 U.S.C. § 101</u>

In the final Office Action, Claims 1-12 were rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. The Applicants respectfully assert that the amendments to (or cancellation of) these claims have rendered the rejection under 35 U.S.C. § 101 moot. For instance, many of the claims have been amended to more clearly identify the apparatus (e.g., processor) that accomplishes the recited claim elements.

<u>Claim Rejections Under 35 U.S.C. § 102(e)</u>

In the final Office Action, Claims 1-11 and 13-22 were again rejected under 35 U.S.C. § 102(e) as being anticipated by U.S. Publication No. 2004/0215560 to Amalraj et al. (hereinafter *"Amalraj"*). *Amalraj* is directed to a computer based payment system that provides a payment method engine that edits payment instructions based on constraints and preferences of consumers and payment requesting sources that are stored in a database of profiles. (*See Amalraj*, paragraphs 28-29 and FIG. 11). The payment method engine may then apply payee constraints to the payment instructions and determine the financial risks associated with the payment and select from the appropriate payment alternatives to mitigate that risk. *Id.* Next, the payment method engine determines payment operational preferences to optimize the payment (e.g., choosing the lowest cost of possible payment method alternatives or using another criteria). *Id.* Therefore, *Amalraj* describes the serial approach shown in FIG. 11 to editing payment instructions based on preferences. First, stored preferences of the payment requesting source are applied, then payee constraints, then a risk analysis is performed, and finally operational preferences are applied to modify the payment instructions. (*See Amalraj*, FIG. 11.)

In contrast to the serial approach to applying various constraints to payment instructions disclosed in *Amalraj*, amended independent Claim 1 describes a more dynamic approach to evaluating debit options and credit options available for processing a payment. As stated in Claim 1, each stored debit option and credit option has "a respective value for each of a plurality of payment processing factors, wherein the plurality of payment processing factors include at least two of (i) a cost of processing factor, (ii) a risk of processing factor, and (iii) a speed of processing factor." According to amended independent Claim 1, when a payment request has been received, the service provider processor determines "a subset of the plurality of payment processing debit options and credit options applicable to processing the payment request" and then a selection of one of the plurality of payment processing factors for the payment request is made based on a preference. A function performed using the values for the selected one of the plurality of payment processing factors for each of the subset of the plurality of payment processing debit options and credit options is then evaluated to determine an optimal combination of one debit option and one credit option to be used to direct the payment. The amendments to independent Claim 1 are supported by the specification. (*See* Applicants' Application No. 10/631,973, e.g., paragraphs 0190-0201 and Figure 11).

In contrast to amended independent Claim 1, *Amalraj* does not teach, suggest, or motivate the use of a respective value (e.g., score, rank, etc.) for a payment processing factor for each debit option and credit option applicable to the payment request. Moreover, *Amalraj* does not teach, suggest, or motivate evaluating a function performed using the values of a selected processing factor for each debit option and credit option applicable to the payment request. More specifically, *Amalraj* does not teach or suggest "selecting . . . one of the plurality of payment processing factors based on a preference", and then "determining . . . an optimal combination of one debit option and one credit option . . . , wherein the determination is based on evaluating a function applied to each of a plurality of combinations of an applicable debit option and an applicable credit option, wherein the function processes the values for the selected one of the plurality of payment processing factors for the applicable debit option and the applicable credit option for each combination of the plurality of combinations." Therefore, the Applicants respectfully assert that *Amalraj* does not teach, suggest, or motivate all of the claim elements of amended independent Claim 1.

For at least the above stated reasons, the Applicants respectfully assert that amended independent Claim 1 is not anticipated by *Amalraj* and is in condition for allowance. Further, the Applicants respectfully assert that all remarks addressed to the novelty of amended independent Claim 1 are also applicable to amended independent Claim 13. Therefore, the Applicants respectfully assert that amended independent Claim 13 is also in condition for allowance for at least the same reasons as amended independent Claim 1.

The Applicants also respectfully assert that the remarks above responding to the rejection under 35 U.S.C. § 102(e) by distinguishing *Amalraj* from the amended independent claims are also applicable to each of the dependent claims of the Applicants' application. Therefore, at the very least, each of the pending dependent Claims 2-3, 6-7, 11-12, 14-15, 18-19, and 22-23 are allowable as a matter of law as being dependent on allowable base claims, notwithstanding the independent recitation of patentable subject matter that may be described in one or more of the dependent claims. For instance, the additional subject matter provided in dependent Claims 6-7 and 18-19 are not taught, suggested, or motivated by *Amalraj*, *Embrey*, or the combination thereof. As a result, the Applicants respectfully assert that the rejections of the dependent claims under 35 U.S.C. § 102(e) are now moot.

## Claim Rejections Under 35 U.S.C. § 103(a)

Claims 12 and 23 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Amalraj* in view of U.S. Publication No. 2002/0032651 to Embrey (hereinafter "*Embrey*"). The Applicants respectfully assert that the remarks above responding to the rejection under 35 U.S.C. § 102(e) by distinguishing *Amalraj* from the amended independent claims are also applicable to each of the dependent claims of the Applicants' application including Claims 12 and 23. *Embrey* does not teach or suggest the amendments to independent Claims 1 and 13. Therefore, at the very least, each of the pending dependent claims are allowable as a matter of law as being dependent on allowable base claims, notwithstanding the independent recitation of patentable subject matter that may be described in one or more of the dependent claims. As a result, the Applicants respectfully assert that the rejections of dependent claims 12 and 23 under 35 U.S.C. § 103(a) are now moot.

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For at least the above stated reasons, the Applicants respectfully assert that their application is in condition for allowance and request an indication of such an allowance. If there are any issues that can be resolved by a telephone conference or an Examiner's amendment, the Examiner is invited to call the undersigned attorney at (404) 853.8253.

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## Conclusion

Reconsideration of the application is requested in light of the amended claims, specification and the remarks. The Applicants believe they have responded to each matter raised by the Examiner. Allowance of the claims is respectfully solicited. It is not believed that extensions of time or additional fees are required beyond those that may otherwise be provided for in the documents accompanying this paper. However, in the event that additional extensions of time are necessary to allow consideration of this paper, such extensions are hereby petitioned under 37 C.F.R. §1.136(a), and any fee required therefore (including fees for net addition of claims) is hereby authorized to be charged to Deposit Account No. 19-5029.

Respectfully submitted,

/William T. Cook/

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